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DIRECTIVE OF THE FIRST MINISTRY OF MACHINE INDUSTRY
ON PRESENT CONDITIONS IN STATE-OPERATED MACHINERY INDUSTRIES

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The basic weakness of China's machine industry, and its present state of disorganization, and technological and administrative deficiencies, have resulted in a failure to fully utilize the potential productive power of the industry and also in an inability to fulfill the needs of national construction.

Present Conditions

A preliminary analysis of the industry reveals the following situation:

1. It was discovered that present plant capacity is not being fully utilized. Moreover, while some plants produce only a single item, others produce many items. In many cases, plant equipment is improperly used -- such as using precision equipment to produce coarse goods and vice-versa. Due to alternating periods of rush and slack production, machinery is utilized at less than 50 percent capacity. These problems are caused by the blind subjectivism of the cadres and their failure to correlate production capacity to general needs.
2. The failure to achieve smooth production is a serious problem. Without exception, all of the 91 enterprises under this ministry made the mistake of stepping up production at the end of a work period to take up the slack made at the beginning of the period.
3. Another serious problem is the poor quality of the output of the machinery industry. Often out-dated designs continue to be used and goods are not properly checked in the production process for defective products.
4. In basic construction, government funds are wasted by poor planning. Also, cadres have a tendency to order more than their actual needs and to demand immediate delivery of goods.

Important Tasks

This is the first year of the Five-Year National Construction Plan and an important year for national industrialization. The total value of goods produced by state-operated machinery plants must be 54 percent above that of 1952; labor productivity must be increased 24 percent, and production costs must be lowered by 11 percent. Since over ten projects will be initiated in 1953, construction will rise 180 percent above that for 1952.

If the production plan for 1953 is to be surpassed, the following steps must be taken:

1. Existing plants must be reorganized to permit production according to an orderly plan.
2. Factories must implement a system of responsibility and improve their production techniques. Factories must produce new products and must not stick to a single item.

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3. To eliminate errors in thinking among cadres and workers, leadership in basic construction must be strengthened. Planning must be stepped up and planning data must be promptly furnished to the Soviet Union, which is helping us with our planning. In implementing project plans, cadres must avoid mistakes made in the planning process. Finally, workers must improve their technique by attending classes.

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